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Downtown a budding housing hot spot

'People are tired of driving,' one area developer says

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Converting a vacant courthouse annex into high-end loft-style condominiums may seem unusual for downtown Tucson, but the market for upscale urban housing is taking hold.

Projects large and small and in varying states of completion are dotting the map of downtown.

On Congress Street just west of Interstate 10, the first houses of the new Mercado District of Menlo Park - nearly 300 homes and retail shops - will be going up in a few months.

The old YMCA building at Fifth Avenue and Sixth Street is scheduled to be razed to make way for a loft-style development.

The Arizona Ice and Cold Storage building was converted into 51 lofts, and all the units were sold as of last month.

The former convent of the Sisters of the Immaculate Heart of Mary and St. Joseph's Academy are also being turned into luxury lofts.

Randy Emerson, director of development for Rio Nuevo, said two other mixed-use projects are making progress but are in the early stages.

Presidio Terrace, a townhouse and apartment development just north of the Tucson Museum of Art, has received plan approval from the city and must now finish up design and permitting before construction can begin.

The Post on Congress, to be built on the site of the former Thrifty Drug store, is being designed and has not submitted plans to the city for review.

Emerson said developers of the ex-drug store site are in negotiations to buy the parking lot behind the Chase Bank building.

James LeBeau, a partner in 44 Broadway LLC, which is converting a former courthouse annex, said his group's project will likely be the first completed in the heart of downtown.

He said as more people move downtown, restaurants and retail operations will follow.

Projects that include ground-floor retail such as The Post on Congress, which will be across from the courthouse annex LeBeau and his partners are converting, will help make downtown more pedestrian oriented, he said.

"Who wants to walk by this now? But when it's done, people will be coming here," LeBeau said, gesturing at the vacant lot across the street.

Jayson Meyerovitz, another partner in the firm, said Tucson is starting to see a trend that other cities have seen for years.

"Urban living is hot everywhere," he said. "People are tired of driving."